



7020-02

INTERNATIONAL TRADE COMMISSION

[Investigation No. 337-TA-1047]

Certain Semiconductor Devices and Consumer Audiovisual Products Containing the Same

Commission Determination to Review in Part a Final Initial Determination Finding No Violation of Section 337; Schedule for Briefing; Extension of Target Date

AGENCY: U.S. International Trade Commission.

ACTION: Notice.

SUMMARY: Notice is hereby given that the U.S. International Trade Commission has determined to review in part a final initial determination (“ID”) issued by the presiding administrative law judge (“ALJ”), finding no violation of section 337 of the Tariff Act of 1930, as amended. The Commission has also set a schedule for briefing. Additionally, Commission has determined to extend the target date for the completion of the investigation to September 19, 2018.

FOR FURTHER INFORMATION CONTACT: Robert Needham, Office of the General Counsel, U.S. International Trade Commission, 500 E Street, SW, Washington, D.C. 20436, telephone (202) 708-5468. Copies of non-confidential documents filed in connection with this investigation are or will be available for inspection during official business hours (8:45 a.m. to 5:15 p.m.) in the Office of the Secretary, U.S. International Trade Commission, 500 E Street, SW, Washington, D.C. 20436, telephone (202) 205-2000. General information concerning the Commission may also be obtained by accessing its Internet server (<https://www.usitc.gov>). The public record for this investigation may be viewed on the Commission's electronic docket (EDIS) at <https://edis.usitc.gov>. Hearing-impaired persons are advised that information on this

matter can be obtained by contacting the Commission's TDD terminal on (202) 205-1810.

SUPPLEMENTARY INFORMATION: The Commission instituted this investigation on April 12, 2017, based on a complaint filed by Broadcom Corporation ("Broadcom") of Irvine, California. 82 FR 17688. The complaint alleges violations of section 337 of the Tariff Act of 1930, as amended, 19 U.S.C. 1337 ("section 337"), in the importation into the United States, the sale for importation, and the sale within the United States after importation of certain semiconductor devices and consumer audiovisual products containing the same that infringe U.S. Patent Nos. 7,310,104; 7,342,967; 7,590,059; 8,068,171; and 8,284,844. *Id.* The Commission's notice of investigation named as respondents MediaTek Inc. of Hsinchu City, Taiwan, MediaTek USA Inc. of San Jose, California, and MStar Semiconductor Inc. of Chupei Hsinchu Hsien, Taiwan (together, "MediaTek"); Sigma Designs, Inc. of Fremont, California ("Sigma"); LG Electronics Inc. of Seoul, Republic of Korea and LG Electronics U.S.A., Inc. of Englewood Cliffs, New Jersey (together, "LG"); Funai Electric Company, Ltd., of Osaka, Japan, Funai Corporation, Inc. of Rutherford, New Jersey, and P&F USA, Inc. of Alpharetta, Georgia (together, "Funai"); and Vizio, Inc., of Irvine, California ("Vizio"). *Id.* The Office of Unfair Import Investigations is not participating in this investigation. *Id.*

Several parties were terminated from the investigation based on settlement. Specifically, the Commission terminated the investigation with respect to Funai, Order No. 31 (Nov. 7, 2017), *not reviewed* Notice (Dec. 12, 2017); MediaTek, Order No. 35 (Nov. 29, 2017), *not reviewed* Notice (Dec. 19, 2017); and LG, Order No. 42 (Apr. 9, 2018), *not reviewed* Notice (May 4, 2018). Accordingly, only respondents Sigma and

Vizio (together, “Respondents”) remained in the investigation at the time of the final ID.

The Commission also terminated two patents and several claims based on Broadcom’s partial withdrawal of the complaint. Specifically, the Commission terminated the investigation with respect to the ’967 patent, the ’171 patent, claims 21-30 of the ’059 patent, and claim 14 of the ’844 patent. Order No. 24 (Oct. 10, 2017), *not reviewed* Notice (Oct. 24, 2017). Broadcom also elected to withdraw claims 5 and 11-13 of the ’844 patent in its post-hearing brief. ID at 7. Accordingly, at the time of the final ID, the only remaining claims were 1, 10, 11, 16, 17, and 22 of the ’104 patent; claims 1-4, 6-10, of the ’844 patent; and claims 11-20 of the ’059 patent.

On May 11, 2018, the ALJ issued a final ID finding no violation of section 337. Specifically, he found that Respondents did not infringe any claim, that the asserted claims of the ’844 patent are invalid, and that Broadcom did not satisfy the technical prong of the domestic industry requirement for the ’104 patent.

On May 29, 2018, Broadcom and Respondents each petitioned for review of the ID. On June 6, 2018, the parties opposed each other’s petitions.

Having examined the record of this investigation, including the ALJ’s final ID, the petitions for review, and the responses thereto, the Commission has determined to review the final ID in part. Specifically, the Commission has determined to review the following issues: (1) the construction of “a processor adapted to control a decoding process” in claim 1 of the ’844 patent, as well as related issues of infringement, invalidity, and the technical prong of the domestic industry requirement with respect to the limitation; (2) the finding that Fandrianto satisfies the limitation “adapted to perform a decoding function on a digital media stream” of claim 1 of the ’844 patent; (3) the

construction of “the blended graphics image” in claim 1 of the ’104 patent, as well as related issues of infringement, invalidity, and the technical prong of the domestic industry requirement with respect to the limitation; (4) the construction of “blend the blended graphics image with the video image using the alpha values and/or at least one value derived from the alpha values” in claim 1 of the ’104 patent, as well as related issues of infringement, invalidity, and the technical prong of the domestic industry requirement with respect to the limitation; and (5) the finding that claims 1 and 10 of the ’104 patent would be rendered obvious by Gloudemans in view of Porter & Duff under Broadcom’s proposed claim constructions.

The parties are requested to brief their positions on the issues under view with reference to applicable law and the evidentiary record. In connection with its review, the Commission is interested in briefing on the following issues:

1. Should the construction of the term “a processor adapted to control a decoding process” of the ’844 patent include the concept of “orchestrate,” and what is the difference between “control” and “orchestrate” in the context of this patent?
2. Should the construction of the term “a processor adapted to control a decoding process” of the ’844 patent include the concept of a “pipeline” or “stage”?
3. In construing the term “blend the blended graphics image with the video image using the alpha values and/or at least one value derived from the alpha values” in claim 1 of the ’104 patent, under what legal theory (if any) may the Commission base its construction upon Broadcom’s arguments in the district court case *Broadcom Corp. v. SiRF Technology, Inc.*, Case No. 8:08-cv-00546-JVS-MLG (C.D. Cal. July 15, 2010)?
4. If your responses to the questions above contend that one or more of the final ID’s claim constructions should be changed, please explain how each change in claim construction would impact the issues of infringement, invalidity, and the technical prong of the domestic industry requirement.

The parties have been invited to brief only the discrete issues described above, with reference to the applicable law and evidentiary record. The parties are not to brief other issues on review, which are adequately presented in the parties' existing filings.

In connection with the final disposition of this investigation, the Commission may (1) issue an order that could result in the exclusion of the subject articles from entry into the United States, and/or (2) issue a cease and desist order that could result in the respondent being required to cease and desist from engaging in unfair acts in the importation and sale of such articles. Accordingly, the Commission is interested in receiving written submissions that address the form of remedy, if any, that should be ordered. If a party seeks exclusion of an article from entry into the United States for purposes other than entry for consumption, the party should so indicate and provide information establishing that activities involving other types of entry either are adversely affecting it or likely to do so. For background, see *Certain Devices for Connecting Computers via Telephone Lines*, Inv. No. 337-TA-360, USITC Pub. No. 2843 (December 1994) (Commission Opinion).

If the Commission contemplates some form of remedy, it must consider the effects of that remedy upon the public interest. The factors the Commission will consider include the effect that an exclusion order and/or a cease and desist order would have on (1) the public health and welfare, (2) competitive conditions in the U.S. economy, (3) U.S. production of articles that are like or directly competitive with those that are subject to investigation, and (4) U.S. consumers. The Commission is therefore interested in receiving written submissions that address the aforementioned public interest factors in the context of this investigation. The Commission is particularly interested in briefing on

the following issue:

1. If the Commission were to issue remedial orders in this investigation, could the demand for the excluded articles be fulfilled by others?

If the Commission orders some form of remedy, the U.S. Trade Representative, as delegated by the President, has 60 days to approve or disapprove the Commission's action. *See* Presidential Memorandum of July 21, 2005, 70 FR 43251 (July 26, 2005). During this period, the subject articles would be entitled to enter the United States under bond, in an amount determined by the Commission and prescribed by the Secretary of the Treasury. The Commission is therefore interested in receiving submissions concerning the amount of the bond that should be imposed if a remedy is ordered.

WRITTEN SUBMISSIONS: The parties to the investigation are requested to file written submissions on the issues identified in this notice. Parties to the investigation, interested government agencies, and any other interested parties are encouraged to file written submissions on the issues of remedy, the public interest, and bonding. Such submissions should address the recommended determination by the ALJ on remedy and bonding, which issued on May 23, 2018. Broadcom is also requested to submit proposed remedial orders for the Commission's consideration. Broadcom is additionally requested to state the date that the '059, '844 and '104 patents expire, the HTSUS numbers under which the subject articles are imported, and to supply a list of known importers of the subject articles. The written submissions, exclusive of any exhibits, must not exceed 60 pages, and must be filed no later than close of business on July 27, 2018. Reply submissions must not exceed 30 pages, and must be filed no later than the close of business on August 3, 2018. No further submissions on these issues will be permitted unless otherwise ordered by the Commission.

Persons filing written submissions must file the original document electronically on or before the deadlines stated above and submit 8 true paper copies to the Office of the Secretary by noon the next day pursuant to section 210.4(f) of the Commission's Rules of Practice and Procedure (19 CFR 210.4(f)). Submissions should refer to the investigation number (“Inv. No. 337-TA-1047”) in a prominent place on the cover page and/or the first page. (See Handbook for Electronic Filing Procedures, http://www.usitc.gov/secretary/fed_reg_notices/rules/handbook_on_electronic_filing.pdf). Persons with questions regarding filing should contact the Secretary (202-205-2000).

Any person desiring to submit a document to the Commission in confidence must request confidential treatment. All such requests should be directed to the Secretary to the Commission and must include a full statement of the reasons why the Commission should grant such treatment. See 19 CFR 201.6. Documents for which confidential treatment by the Commission is properly sought will be treated accordingly. All information, including confidential business information and documents for which confidential treatment is properly sought, submitted to the Commission for purposes of this Investigation may be disclosed to and used: (i) by the Commission, its employees and Offices, and contract personnel (a) for developing or maintaining the records of this or a related proceeding, or (b) in internal investigations, audits, reviews, and evaluations relating to the programs, personnel, and operations of the Commission including under 5 U.S.C. Appendix 3; or (ii) by U.S. government employees and contract personnel^[1], solely for cybersecurity purposes. All nonconfidential written submissions will be

^[1] All contract personnel will sign appropriate nondisclosure agreements.

available for public inspection at the Office of the Secretary and on EDIS.

The authority for the Commission's determination is contained in section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), and in part 210 of the Commission's Rules of Practice and Procedure (19 CFR part 210).

By order of the Commission.

Lisa Barton
Secretary to the Commission

Issued: July 17, 2018

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